

2013 Union County Property Tax Report with Comparison to 2012

Legislative Services Agency

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This report describes property tax changes in Union County between 2012 and 2013.

Property tax changes in 2013 were affected most by local factors, such as changes in assessed values, deductions, levies, credits, and tax rates. However, three statewide trends affected a large number of counties.

- First, pay-2013 was a statewide reassessment year. In past reassessments there were double-digit percentage increases in assessed values, but this time assessments were almost unchanged statewide. The difference was trending, which has been adjusting assessments annually since 2007. Few counties experienced large assessment increases in 2013. Many experienced assessment decreases.
- Second, farmland assessments continued to rise, with the base rate of an acre increasing 8.7% from \$1,500 to \$1,630. High commodity prices and low interest rates were the reason. Rising farmland assessments were especially important in rural counties, where farmland is a larger part of total assessed value.
- Third, many local income tax credit rates increased substantially. This was due to a corrected distribution of local income tax revenues to local governments. Extra income tax revenue was applied to tax credits in 2013. This may mean that credit rates will fall (and tax bills will rise) in 2014.

Still, local factors were most influential in individual counties in 2013. Here is what affected taxes in Union County.

	Average Change in Tax Bill, All Property	Total Levy, All Units	Certified Net Assessed Value	Tax Cap Credits % of Levy
2013	1.7%	\$6,856,176	\$328,425,312	5.7%
Change		1.5%	7.6%	
2012	-3.8%	\$6,754,814	\$305,320,828	6.1%

Comparable Homestead Property Tax Changes in Union County

The total tax bill for all taxpayers in Union County increased by 1.7% in 2013. The main reason was a 1.5% increase in the levy. In this reassessment year, certified net assessed value rose by 7.6%. Union County's tax rates decreased with assessments rising more than the levy, so its tax cap credits as a percent of the levy declined from 6.1% in 2012 to 5.7% in 2013.

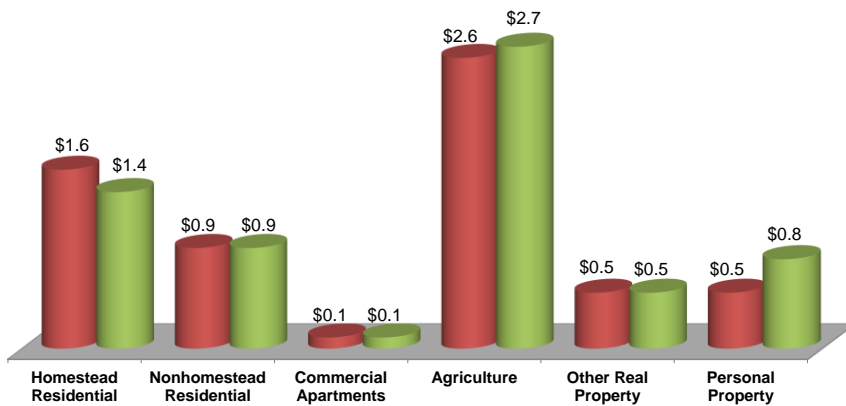
Union County homeowners experienced a large 8.4% decrease in property tax bills in 2013. This was due to a decline in homestead net assessed value and to a decrease in property tax rates. Statewide, the average homeowner's tax bill was almost unchanged.

	2012 to 2013	
	Number of Homesteads	% Share of Total
Summary Change in Tax Bill		
Higher Tax Bill	458	22.8%
No Change	60	3.0%
Lower Tax Bill	1,494	74.3%
Average Change in Tax Bill	-8.4%	
Detailed Change in Tax Bill		
20% or More	37	1.8%
10% to 19%	62	3.1%
1% to 9%	359	17.8%
-1% to 1%	60	3.0%
-1% to -9%	814	40.5%
-10% to -19%	423	21.0%
-20% or More	257	12.8%
Total	2,012	100.0%

Note: Percentages may not total due to rounding.

Comparison of Net Property Tax by Property Type (In Millions)

■ 2012 - Total \$6.2 ■ 2013 - Total \$6.4



In Union County most net property taxes were paid by agriculture and homestead property owners in 2013. Total net property taxes increased 1.7%, similar to the average 2.1% increase statewide. Personal property saw the largest increase, while commercial apartments had the largest percentage decrease.

Property tax rates decreased in all eight Union County tax districts in 2013. The average tax rate fell by 5.6% because a small levy increase was offset by a large increase in certified net assessed value. Statewide, the average tax rate increased by 4.2%.

Union County increased by 1.5%, compared to a 3.7% statewide levy increase. Detailed levy changes for local governments in Union County are included in a later table.

Property Type	Gross AV Pay 2012	Gross AV Pay 2013	Gross AV Change	Net AV Pay 2012	Net AV Pay 2013	Net AV Change
Homesteads	\$206,692,270	\$196,137,620	-5.1%	\$74,231,747	\$69,797,493	-6.0%
Other Residential	54,223,700	56,770,000	4.7%	50,695,813	53,230,181	5.0%
Ag Business/Land	134,327,690	146,623,100	9.2%	133,863,930	146,179,630	9.2%
Business Real/Personal	50,746,154	66,173,431	30.4%	45,066,936	58,372,248	29.5%
Total	\$445,989,814	\$465,704,151	4.4%	\$303,858,426	\$327,579,552	7.8%

Net AV equals gross AV less deductions and exemptions. Certified net AV is set with the budget, certified by the county auditor and used to calculate tax rates. It may be adjusted by the auditor to account for appeals. Net AV in the above table is summed from tax bills. It includes TIF allocations while certified net AV does not. Gross AV also is summed from tax bills. Circuit breaker tax caps are calculated on gross AV.

Union County's total billed net assessed value increased substantially, by 7.8% in 2013. Increases in agricultural and business personal property assessments were the main reasons. Net assessed value for all of Indiana was nearly unchanged, rising by only 0.1%.

Tax Cap Category	2012	2013	Difference	% Change
1%	\$51,262	\$35,715	-\$15,547	-30.3%
2%	284,969	286,106	1,138	0.4%
3%	71,592	70,375	-1,217	-1.7%
Elderly	1,137	844	-292	-25.7%
Total	\$408,959	\$393,041	-\$15,918	-3.9%
% of Levy	6.1%	5.7%		

Total tax cap credits in Union County were \$393,041, which was 5.7% of the levy. This was less than the state average of 10.9%, but more than the median or typical county percentage of 4.2%. Tax rates were the main determinant of tax cap credits. Union County's average tax rate was near the median rate statewide,

but tax cap credits as a share of the levy were above the state median because rates were greater than \$3 per \$100 assessed value in one large district. Most of the tax cap credits in Union County were in the 2% nonhomestead residential/farmland category. A later table shows tax cap credits by category for each local government unit.

Tax cap credits in Union County decreased \$15,918 between 2012 and 2013. Credits as a share of the total levy fell to 5.7% in 2013 from 6.1% in 2012.

Union County Levy Comparison by Taxing Unit

Taxing Unit	2009	2010	2011	2012	2013	% Change			
						2009 - 2010	2010 - 2011	2011 - 2012	2012 - 2013
<i>County Total</i>	6,827,796	6,691,291	6,787,538	6,754,814	6,856,176	-2.0%	1.4%	-0.5%	1.5%
Union County	1,520,665	1,579,887	1,629,649	1,675,296	1,700,914	3.9%	3.1%	2.8%	1.5%
Brownsville Township	15,621	16,196	16,647	17,157	17,431	3.7%	2.8%	3.1%	1.6%
Center Township	25,570	26,480	25,560	25,467	24,777	3.6%	-3.5%	-0.4%	-2.7%
Harmony Township	17,917	18,806	19,226	19,788	20,141	5.0%	2.2%	2.9%	1.8%
Harrison Township	16,865	17,447	17,939	18,473	18,800	3.5%	2.8%	3.0%	1.8%
Liberty Township	19,236	21,153	21,708	21,275	22,753	10.0%	2.6%	-2.0%	6.9%
Union Township	14,595	15,146	15,525	16,007	16,241	3.8%	2.5%	3.1%	1.5%
Liberty Civil Town	575,420	606,383	624,546	640,593	650,075	5.4%	3.0%	2.6%	1.5%
West College Corner Civil Town	76,796	80,677	82,889	84,737	86,286	5.1%	2.7%	2.2%	1.8%
Union County School Corp	4,151,733	3,902,337	3,923,934	3,814,984	3,875,418	-6.0%	0.6%	-2.8%	1.6%
Union County Public Library	393,378	406,779	409,915	421,037	423,340	3.4%	0.8%	2.7%	0.5%
W. U. R. Solid Waste Management District	0	0	0	0	0				

Union County 2013 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT Homestead	CEDIT Homestead	CEDIT Residential	LOIT Homestead	LOIT Residential	
81001	Brownsville Township	1.8740	--	--	--	--	--	--	1.8740
81002	Center Township	1.8601	--	--	--	--	--	--	1.8601
81003	Liberty Town	3.5322	--	--	--	--	--	--	3.5322
81004	Harmony Township	1.8807	--	--	--	--	--	--	1.8807
81005	Harrison Township	1.8694	--	--	--	--	--	--	1.8694
81006	Liberty Township	1.8844	--	--	--	--	--	--	1.8844
81007	Union Township	1.8545	--	--	--	--	--	--	1.8545
81008	West College Corner Town	2.5879	--	--	--	--	--	--	2.5879

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

Union County 2013 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total	Levy	
<i>Non-TIF Total</i>	35,715	286,106	70,375	844	393,041	6,856,176	5.7%
<i>TIF Total</i>	0	0	0	0	0	0	
<i>County Total</i>	35,715	286,106	70,375	844	393,041	6,856,176	5.7%
Union County	5,905	43,914	10,319	154	60,291	1,700,914	3.5%
Brownsville Township	0	0	0	2	2	17,431	0.0%
Center Township	60	466	132	3	660	24,777	2.7%
Harmony Township	26	0	0	0	26	20,141	0.1%
Harrison Township	6	0	0	0	6	18,800	0.0%
Liberty Township	69	0	0	1	70	22,753	0.3%
Union Township	22	162	0	0	184	16,241	1.1%
Liberty Civil Town	14,507	119,945	33,847	295	168,593	650,075	25.9%
West College Corner Civil Town	197	10,636	0	0	10,832	86,286	12.6%
Union County School Corp	13,454	100,055	23,510	351	137,370	3,875,418	3.5%
Union County Public Library	1,470	10,930	2,568	38	15,006	423,340	3.5%
W. U. R. Solid Waste Management District	0	0	0	0	0	0	

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

Circuit Breaker Credit Types:

Homesteads are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

Other Residential/Farmland includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

All Other Real/Personal is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

Elderly includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over. The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.